

Halvorson-supported bill will create a lending fund to allow community banks to open new lines of capital to small businesses

WASHINGTON, DC – After finally gaining approval in the Senate last week, the House today voted to pass the Small Business Lending Fund Act of 2010 (HR 5297) by a tally of 237-187. The legislation will provide local community banks with new tools to increase lending and increase access to capital for small businesses.

"As a small business owner with my husband, I understand the need to help open up credit for our entrepreneurs so they can create jobs now," said Halvorson.

"I'm also proud of several provisions of this bill that I have worked on, including a provision that allows small businesses to immediately deduct up to 50% of the cost of investments in new equipment, larger loan limits for commercial real estate loans and small business loans, an increased guarantee on SBA small business loans, and protections for programs that increase contracting opportunities for service disabled veteran owned small businesses.

The legislation had first passed in the House in June.

"This is common-sense legislation, supported by lenders and small businesses, and I'm disappointed that Republican obstruction in Washington delayed its passage," said Halvorson.

"Everyone knows that opening up credit for small businesses is important – but the delay on passing this legislation has been ridiculous. We need to focus on our small businesses – but too many people in Washington are just looking to score points. I'm glad this legislation has finally passed," said Halvorson. "It's going to open up new credit and lending opportunities for the people who are creating new jobs in our country."

The new bill creates a \$30 billion lending fund that leverages up to \$300 billion in loans for small businesses through small and medium-sized community banks, which focus on small firms. The new legislation is fully paid for and estimated to ultimately reduce the deficit by \$2.4 billion, according to the non-partisan Joint Committee on Taxation, as banks are expected to repay funds over 10 years.

"Not only will this fund provide greater access to capital, it will do so in a fiscally responsible way. That means we're growing jobs without growing government, and that's a win-win."

Praising the work of Halvorson and her colleagues, community banking and small business groups have come out in support of the actions taken in the legislation to spur growth and job creation. The National Bankers Association called this legislation a, "home run", and a, "true investment in a brighter future for America's working class." The Independent Community Bankers of America said, "We applaud the new program focused on getting funds to Main Street small businesses using Main Street community banks."

In her first term in Congress, Halvorson has also introduced and passed through the House several pieces of legislation to increase access to capital. The Small Business Credit Expansion and Loan Markets Stabilization Act, HR 3723, would increase SBA 7(a) loan sizes and extend short-term stabilization loans, while HR 3854, the Small Business Financing and Investment Act would increase loans to help start-up small businesses.

Working to lower the tax burden on small businesses, Halvorson authored provisions in the recently signed HIRE Act, which allows small businesses to immediately deduct up to \$250,000 in capital investments and new equipment purchases, providing direct incentives to grow and create new jobs. Halvorson has also co-sponsored legislation to protect small businesses from the Estate Tax and worked to include small business provisions in the American Recovery and Reinvestment Act, including expanded loan guarantees and borrower fee exemptions for SBA loans.